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# World Production and Trade

United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

Washington, D.C. 20250

Weekly  
Roundup

WR 41-84

Oct. 11, 1984

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## GRAIN AND FEED

For the second week in a row, the EUROPEAN COMMUNITY has rejected requests for unsubsidized exports of soft wheat. Authorizations for subsidized soft wheat exports now total 4.1 million tons or about 10 percent ahead of last year's pace. Continuing to emphasize barley exports, the EC granted export authorization for 208,000 tons at last week's management meeting. Barley export authorizations now total 2.7 million tons, compared to only 400,000 tons at this time last year.

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POLAND and the SOVIET UNION have agreed to a barter trade agreement that involves 750,000 tons of grain. In return for receiving 400,000 tons of Polish rye, the Soviets will supply 350,000 tons of wheat. Poland's wheat import requirements in July-June 1984/85 are expected to be around 2.1 million tons; the Soviet Union usually provides about 500,000 tons annually, and it is not known whether the barter wheat will be in addition to this amount. Poland began the 1984 rye harvest with over 800,000 tons of rye stocks on hand, and it is expected that this barter arrangement with the USSR will save hard currency for other imports.

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IRAQ will require sharply higher wheat imports in July/June 1984/85 because of persistent drought. A wheat crop of only 250,000 tons (compared to an average of about 1 million tons the past two seasons) will mean a considerable draw-down in government stocks to maintain current consumption levels. Purchasing decisions for early 1985 will not be made until the recently planted Iraqi winter wheat crop starts to emerge in December, but it is expected that Iraq will need considerably more than the 3 million tons imported in 1983/84 when the United States supplied about 1.2 million tons.

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EDWIN N. MOFFETT, Editor, Tel. (202) 382-9443. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.



TAIWAN recently purchased 49,000 tons of corn from THAILAND for delivery this month. This is Thailand's first significant sale to Taiwan since 1981/82, before which it supplied about 200,000 tons per year. Quality complaints about aflatoxin in Thai corn caused Taiwan to look to other suppliers and in 1982/83 and 1983/84 (Oct.-Sept.), the United States supplied almost all of Taiwan's 3-million-ton corn requirements. This sale may indicate Thai corn is of better than average quality this year, which could lead to increased competition for U.S. corn in Asian markets. The 1984/85 Thai corn crop is estimated at a record 4.5 million tons, 13 percent above last year.

#### OILSEEDS AND PRODUCTS

MEXICO's oilseed production may decline slightly in 1984/85 because of heavy rains affecting cottonseed and soybean yields. The U.S. agricultural counselor in Mexico City estimates soybean production at 425,000 tons and cottonseed production at 450,000 tons. The total oilseed crush estimate has been raised to 3.1 million tons in 1983/84, increasing to 3.25 million tons in 1984/85 because of a slight recovery in poultry and hog numbers. He also forecast soybean imports to rise to 1.55 million tons in 1984/85--the current official USDA estimate is 1.40 million tons--from 1.44 million tons in 1983/84, with the U.S. share of the total increasing to 1.3 million tons from 1.2 million tons. The agricultural counselor also estimates 1984/85 sunflowerseed imports at 475,000 tons versus 425,000 tons in 1983/84. The 1984/85 estimate is slightly lower than the previous estimate, reflecting increased competition from Canadian rapeseed. U.S. exporters will supply the majority of Mexican soybean imports, but continued Argentine and Brazilian competition is expected.

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IRAQ is emerging as an important market for soybean meal, with the assistance of GSM-102 credits. Private exporters reported to USDA a recent sale of 180,000 tons of soybean meal to Iraq for shipment in the 1984/85 marketing year. Iraq imports of soybean meal are expected to reach 300,000 tons in CY 1984 (all from the United States); this compares 60,000 tons imported in 1983.

#### COFFEE, TEA AND COCOA

Tea production in SELECTED COUNTRIES for 1984 is estimated at 2.05 million tons, 3 percent more than the revised 1.99 million tons produced in 1983. Output in India, the largest producer, is estimated at 635,000 tons, up 8 percent from the 588,000 tons harvested in 1983. The increase is attributed to favorable weather in both north and south India, increased inputs and new high yielding areas coming into production. China's tea output in 1984 is estimated at 380,000 tons, down 5 percent from the record 401,000-ton crop of 1983. Sri Lanka's 1984 tea production is estimated at a record 215,000 tons, 20 percent above the drought-curtailed crop of 1983. The increase is mainly the result of heavier fertilizer application and the prevalence of favorable weather. Kenya's tea output is estimated at 110,000 tons, down 8 percent from the all-time high production of 119,738 tons in 1983, due to drought.

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## WOOD AND WOOD PRODUCTS

CHINA's 1984 harvest of roundwood is estimated at 144 million cubic meters (CUM), 54 million CUM for wood products and 90 million CUM for fuelwood, according to the U.S. agricultural counselor in Beijing. Total forested area is approximately 122 million hectares. Timber growth is estimated at about 220 million CUM per year. Heilongjiang and Jilin provinces in northeast China are the principal commercial timber areas, and the predominant species is red pine.

Afforestation is a significant component of China's on-going development program. Since 1949, nearly 50 million hectares have been afforested. As in the agricultural sector, individual households are responsible for their own producing units as they relate to forestry. The "household responsibility system" now encompasses an allotment of land for tree cultivation. The timber eventually cut from this land will be used by the household or delivered to the State. The Ministry of Forestry assists growers with species selection and pest control.

China's 1984 imports of logs and lumber are currently forecast at 6.7 million CUM. The United States is the leading supplier, shipping 60 to 65 percent of the total. For the first seven months of 1984, U.S. exports of softwood logs and lumber to China totaled 2.12 million CUM, 47 percent greater than the comparable period last year. Other suppliers include the Soviet Union, hardwood producers in Southeast Asian and Chile.

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Selected International Prices

Item	: Sept. 25, 1984	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWS-13.5%.	189.50	5.16	+1.00
U.S. No. 2 DNS/NS: 14%....	174.75	4.76	+1.00
U.S. No. 2 S.R.W. ....	158.00	4.30	+1.00
U.S. No. 3 H.A.D.....	188.00	5.12	+1.00
Canadian No. 1 A: Durum...	209.00	5.69	+1.00
Feed grains:			
U.S. No. 3 Yellow Corn....	134.75	3.42	+1.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	240.00	6.53	+3.50
Brazil 47/48% SoyaPellets	182.00	--	+8.00
U.S. 44% Soybean Meal....	166.00	--	+4.00
U.S. FARM PRICES 3/			
Wheat.....	126.02	3.43	+1.00
Barley.....	85.89	1.87	+1.00
Corn.....	107.48	2.73	+1.00
Sorghum.....	91.49	4.15 6/	+1.00
Broilers 4/.....	1097.45	--	+1.00
EC IMPORT LEVIES			
Wheat 5/.....	51.05	1.39	+6.40
Barley.....	48.35	1.05	+3.05
Corn.....	43.90	1.12	+7.65
Sorghum.....	63.00	1.60	+4.75
Broilers 4/ 6/ 8/.....	161.00	--	+2.00
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	136.85	3.72	+1.00
Bread wheat (min. quality)7/	146.25	3.98	+1.00
Barley and all			
other feed grains.....	136.85	--	+1.00
Broilers 4/ 6/.....	1100.00	--	+21.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat .....	N.A.	--	--
Barley.....	20.60	.45	+2.85
Broilers 4/ 6/ 8/.....	95.00	--	+1.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20,000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.O.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects exchange rate change and not level set by EC. N.Q.=Not quoted. N.A.=None authorized. Note: Basis October delivery.